

IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	*	Case No. 20-33948 (MI)
	*	
FIELDWOOD ENERGY LLC. <i>et al</i>	*	Chapter 11
	*	
Debtors. ¹	*	(Jointly Administered)

JOINDER OF LLOG EXPLORATION OFFSHORE, L.L.C., AND LLOG ENERGY, L.L.C., TO THE (A) OBJECTION OF CHEVRON U.S.A. INC. AND NOBLE ENERGY, INC., (B) OBJECTION OF XTO OFFSHORE, INC., HHE ENERGY COMPANY, AND XH LLC, (C) OBJECTION OF MARATHON OIL COMPANY, AND (D) OBJECTION OF ENI US OPERATING CO. INC. AND ENI PETROLEUM US LLC TO THE DISCLOSURE STATEMENT FOR THE JOINT CHAPTER 11 PLAN OF FIELDWOOD ENERGY, LLC AND ITS AFFILIATED DEBTORS

LLOG Exploration Offshore, L.L.C., and LLOG Energy, L.L.C. (collectively, “LLOG”) creditors and parties-in-interest in the above captioned, jointly administered bankruptcy cases (the “Bankruptcy Cases”), hereby file this joinder (the “Joinder”) to (A) *Chevron U.S.A. and Noble Energy, Inc.’s Objection to Debtors’ Motion for Entry of an Order Approving (I) the Adequacy of the Disclosure Statement, (II) Proposed Voting and Tabulation Procedures, (III) Procedures for Executory Contract Assumption and Assignment, and (IV) Procedures for Assignment and Transfer of Property of the Estate* [Docket No. 880] (the “Chevron Objection”), (B) the *Objection of XTO Offshore, Inc. HHE Energy Company, and XH LLC to the Disclosure Statement for the Joint Chapter 11 Plan of Fieldwood Energy, LLC and its Affiliated Debtors* [Docket No. 900] (the “XTO Objection”), *Marathon Oil Company’s Objection to the Debtors’ Disclosure Statement, Procedures for Assumption of Executory Contracts and Transfer of Property of the Estate* [Docket

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Dynamic Offshore Resources NS, LLC (0158); Fieldwood Energy LLC (6778); Fieldwood Energy Inc. (4991); Fieldwood Energy Offshore LLC (4494); Fieldwood Onshore LLC (3489); Fieldwood SD Offshore LLC (8786); Fieldwood Offshore LLC (2930); FW GOM Pipeline, Inc. (8440); GOM Shelf LLC (8107); Bandon Oil and Gas GP, LLC (9172); Bandon Oil and Gas, LP (9266); Fieldwood Energy SP LLC (1971); Galveston Bay Pipeline LLC (5703); and Galveston Bay Processing LLC (0422). The Debtors’ primary mailing address is 2000 W. Sam Houston Parkway S., Suite 1200, Houston, TX 77042

No. 924] (the “Marathon Objection”), and the *Objection of Eni US Operating Co. Inc. and Eni Petroleum US LLC to Approval of Debtors’ Disclosure Statement for Debtors’ Joint Chapter 11 Plan of Reorganization* [Docket No. 937] (the “Eni Objection”).

In support of this Joinder, LLOG respectfully represents as follows:

RELEVANT BACKGROUND FOR JOINDER

A. LLOG’s Business Relationship with the Debtors

1. Based in Covington, Louisiana, LLOG’s activities include acquiring, exploring, drilling, developing, and producing oil and gas and related hydrocarbons in the Gulf of Mexico.
2. As part of their business operations, LLOG and Fieldwood are parties to several operating agreements and leases, as successors in interests to their respective contractual counterparties therein, to engage in exploration, development, extraction and production activities in the Gulf of Mexico. LLOG and Fieldwood’s business operations are subject to oversight by several government agencies, including, inter alia, the Bureau of Safety and Environmental Enforcement (BSEE), whose regulations serve as the basis for various plugging and abandonment obligations (the “P&A Obligations”) for decommissioning certain leases.
3. The potential P&A Obligations, as estimated by BSEE, are reflected in the attached Exhibit A. Even by the most conservative of estimates (P50), the total decommissioning costs total approximately \$99,735,689. Using a P70 cost estimate, the estimated decommissioning costs for these properties total approximately \$122,482,615. Using a P90 cost estimate, the estimated decommissioning costs for these properties total approximately \$156,023,797.

B. The Chapter 11 Cases and Objections

4. On August 3 and August 4, 2020, Fieldwood Energy LLC (“Fieldwood”) and 13 affiliated debtors (collectively, the “Debtors”) each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “Court”).
5. On January 1, 2021, the Debtors filed the Joint Chapter 11 Plan of Fieldwood Energy LLC and its Affiliated Debtors (the “Plan”) and the Disclosure Statement for Joint Chapter 11 Plan of Fieldwood Energy LLC and its Affiliated Debtors (the “Disclosure Statement”).

6. LLOG joins and adopts the Chevron Objection, the XTO Objection, the Marathon Objection, and the Eni Objection. The Disclosure Statement does not provide adequate information regarding the treatment of decommissioning liabilities, including P&A Obligations that the Debtors propose to abandon.

SUPPORTING DOCUMENTATION

7. On information and belief, other supporting documentation, including any referenced agreements or pleadings herein, are already in the possession of the Debtors, their counsel and/or other professional agents, or publicly available. Such supporting documentation may contain confidential and/or commercially sensitive information. As such, such supporting documentation may be available upon request from counsel for LLOG, at the contact information below, subject to prior execution of an appropriate confidentiality agreement or protective order.

RESERVATION OF RIGHTS

8. LLOG reserves the right to amend this Joinder in all respects, including, without limitation, any of the arguments or concerns raised in and incorporated into this Joinder at any time, including at any hearing set by the Court for consideration of the Disclosure Statement and Plan.

Dated: March 11, 2021

Respectfully submitted,

/s/ John E. W. Baay II
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